



Auckland Ratepayers'  
Alliance PO Box 133 099, Eastridge,  
Auckland 1146  
Phone: (09) 2815 172  
Email: enquiries@ratepayers.nz

---

22 March 2018

Auckland Council  
Private Bag 39200  
Victoria Street West  
Auckland 1142

Dear Councillors,

### **Submission of the Auckland Ratepayers' Alliance on:**

- A. 10-year Budget 2018 – 2028
- B. Draft Auckland Waste Management and Minimisation Plan 2018

#### *Introduction*

1. This is a submission by the *Auckland Ratepayers' Alliance* in response to the consultation documents for Auckland Council's *10-year Budget 2018-2028* (LTP) and the *Draft Auckland Waste Management and Minimisation Plan 2018* (WMMP).
2. We wish to speak to this submission.
3. In addition to addressing the issues raised in the consultation questionnaires for the abovementioned documents, we outline further matters raised by the documents. Attached as Appendix 1 to this submission is our response to the 10-year Budget Feedback form.

#### *About the submitter*

4. The *Auckland Ratepayers' Alliance* is a group of concerned citizens and organisations that want an end to Auckland Council's persistent rate hikes and culture of wasteful spending. We stand for *Reasonable Rates and Sensible Spending*. We are New Zealand's largest ratepayer organisation with 17,000 registered members.
5. The aims of the *Auckland Ratepayers' Alliance* are to:
  - reduce wasteful Council spending;
  - increase transparency and accountability of those funded by ratepayers;
  - increase institutional checks on the Council;
  - enable Aucklanders to easily scrutinise Council spending;
  - lower the rates burden; and
  - promote evidence-based public policy.

## Summary

6. It appears that despite having stood on a platform of fiscal prudence, the Mayor is proposing a fiscal strategy that continues the former Mayor's high spending, high debt, high rates agenda.
7. Not only have the promised efficiencies not been delivered by Phil Goff, the LTP appears to accelerate the growth of the Council's bureaucracy and control, rather than trim wasteful spending and reform the Super City into providing good quality core-Council services for ratepayers.
8. In particular, our members are shocked at the dishonesty of Phil Goff, having been so clear in his election bid to limit rate rises to 2.5%. His is now proposing a budget which breaks that promise for eight of the next ten years the LTP covers.
9. Rather than sticking to his promises made on the hustings, the Mayor appears to be making every effort to reach deeper into the pockets of our members with new targeted rates, a regional fuel tax, and using ratepayer resources to lobby the government for a 1,300% increase in the national waste levy.
10. It is not like those the Council intends to hit the hardest can afford it. The regional fuel tax, in particular, hits generally lower income families living in the outer suburbs. Despite being a Labour politician, Mr Goff proposes a regressive bite in the pocket for those who can least afford it.
11. The Council's first priority should be to find waste-cutting opportunities in existing expenditure, and use that money to fund infrastructure. Disappointedly, despite Mr Goff promises pre-election to find annual efficiencies of 3 – 6% annually, in last year's budget he only found 0.3%.
12. In relation to waste, it is clear the Council still wants to grow its share of the market and have more control over it. The WMMP demonstrates little concern for how much the increase in costs will impact on Auckland households and ratepayers when added to the other increases in general rates, targeted rates, and fuel taxes.
13. The WMMP focuses on the concept of "standardisation" and is based on the following assumptions:
  - a. "one-size-fits-all" approach with for services, methodology and systems will be more "appropriate" than non-standardised;
  - b. Council knows which services are best despite the private sector having significant experience in delivering this service;
  - c. Private operators can't be relied on to undertake environmental initiatives; and
  - d. Aucklanders don't care about having less choice and flexibility in their rubbish collection.
14. We dispute all of these assumptions.
15. Our concern is that the targeted rate may be used in areas of Auckland where the private sector are providing existing household waste services on a more efficient basis to cross subsidise a new 'standardised' but inefficient service. This may push out private competitors from the market – to the detriment of ratepayers. We don't see how cutting out the competitive commercial sector will benefit ratepayers. We know it will mean continued increases in rates for households.
16. On this basis, we submit that Councils need to ensure that residents have the ability to opt out of Council waste services. However, this needs an assurance that Council will not use rates to cross subsidise a Council run service for the purpose of empire-building when a more efficient privately run service may exist.

## A. Submission on Long Term Plan

### *Expectations from Auckland Ratepayers*

17. At the last Council election, nine Councillors were elected after signing our Ratepayer Protection Pledge. This pledge prevents Councillors from voting for any measures which increases the total average burden of rates, levies, and other compulsory Council charges, to more than 2% per annum. These Councillors were:
  - John Watson (Albany)
  - Wayne Walker (Albany)
  - Christine Fletcher (Albert-Eden-Roskill)
  - Sharon Stewart (Howick)
  - Dick Quax (Howick)
  - John Walker (Manurewa-Papakura)
  - Desley Simpson (Orakei)<sup>1</sup>
  - Greg Sayers (Rodney)
  - Mike Lee (Waitemata and Gulf)
18. A further two Councillors, Chris Darby (North Shore) and Daniel Newman (Manurewa-Papakura), were elected on a platform of fiscal responsibility and reining in rates. Mayor Goff promised to limit average annual rate increases to 2.5%.
19. In short, this Council has a clear mandate and electoral obligation to deliver more efficient services and limit the rates burden imposed on Auckland ratepayers.
20. Based on this LTP, it appears the Mayor and Councillors have ignored their pre-election rates promises.
21. By proposing additional targeted rates and a regional fuel tax, the effective increase in financial burden to households is 6.2%. Without being labelled as ‘fibbers’ – we do not see how any of the Councillors named above can, in good conscience, support the LTP as it stands.
22. At present, the CPI inflation rate is 1.6%. The proposed increase in rates and charges is 3.8 times the current CPI. Under former Mayor Len Brown, the Council justified high rate rises on the basis of price rises relevant to local government costs tracking higher than CPI. However, that local government inflation measure is now less than CPI. It makes these rates rises even less justifiable.
23. So much for *Do more with less*. Pre-election, the Mayor was vocal on the need for Council to work within its budget to keep rates low and affordable. He said that the Council *must do more with less*. By exercising restraint, managing expenses (especially personnel and financing costs), and cutting wasteful spending across the group, Council will not need to hike rates to fund infrastructure projects.
24. The quality of outcomes will not be compromised by the Mayor and Councillors remaining true to their pre-election pledges.
25. The LTP Consultation Documents use loaded questions to frame the debate on rates increases as ‘how much’ new spending and ‘how much’ rates hikes should be. The debate should instead focus on whether there is justification for any rate increase at all.

---

<sup>1</sup> Cr Simpson did not sign the pledge but publicly stated she would adhere to it.

### *Operating expenditure*

26. Pre-election, the Mayor promised to find annual efficiencies of 3-6% across the Council. In his inaugural budget, the Mayor delivered efficiencies of \$800,000. This represents a mere 0.03% of the Council's operating budget for the same financial year.
27. Auckland Council's high levels of expenditure and fiscally lax approach to budgeting are of genuine concern.
28. Alarming, the Council has exceeded its budgeted group personnel costs in every consecutive year since the 2012/13 financial year. This apparently indifferent approach to enforcing the Council's budget has cost ratepayers \$261 million since 2012.
29. In relation to operating expenditure, in the last financial year alone, the Council spent \$122 million more than the Annual Plan had allowed for. Had the Council remained under budget, this combined \$373 million could have been allocated to projects that benefit ratepayers. Instead, it will be recorded as yet another example of unnecessary spending at Auckland Council.
30. This excessive expenditure must be reined in, before the Council increases the rates burden on households and businesses financial prudence needs to be exercised.
31. The LTP Consultation Documents do not demonstrate that the Council has taken any serious steps in the preparation of the budget to cut wasteful spending. All efforts appear to focus on finding new ways to increase spending and the tax burden on ratepayers in Auckland, through targeted rates and new taxes.
32. The Mayor has previously advocated for a "strategic approach to budgeting", yet the latest LTP appears to represent a continuation of the "cost plus" mentality Auckland ratepayers are used to. By taking current levels of spending as granted, rates will never plateau or fall.
33. The Mayor was elected after promising to implement a change in Council culture, making the Council more efficient in how it operates. The Mayor and Council cannot credibly claim to have achieved this until such a time that the Council manages to operate within its budget.
34. Auckland Council must focus on providing value for money, delivering core services, and *doing more with less* - precisely what the Mayor campaigned on.

### *Debt management*

35. Debt servicing costs have increased to unacceptable levels and do not deliver value for money to ratepayers.
36. The Council has total liabilities of \$11,580,000,000. That's the equivalent of giving a credit card to every Auckland household with \$20,963 already loaded up in debt.
37. Due to the significant liabilities the Council has accumulated, \$471 million was spent on servicing debt across the Council group in the 2016/17 financial year. The LTP has allocated \$5.72 billion to financing costs over the next decade.
38. To put these costs in context, the regional fuel tax is expected to generate \$130 - \$150 million per year. That's less than a third of what the Council pays every year in meeting its debt obligations.
39. The LTP Supporting Information document states that it is essential that every dollar the Council spends provides value for money. In the 2016/17 financial year, 11.4% of total Council group income

was spent on financing costs. Increased borrowing and higher debt, which will cause financing costs to increase further, does not meet that commitment.

40. By reducing the debt burden on Auckland households, servicing costs would fall, giving the Council more financial freedom.
41. We support the Council's proposed sale of non-strategic assets. Any non-strategic asset that the Council owns, and is surplus to requirements, should be sold, with the proceeds used to reduce Council liabilities.

#### *Rating differential*

42. In the context of Auckland's high average residential rates and the pre-election pledges of the Mayor and Councillors, the proposed increase in rates and charges is not only inappropriate, it is dishonest, mean, and an abuse of the trust Auckland voters put in the Councillors at the last election.
43. Ultimately it is the citizens of Auckland who pay rates, regardless of the residential/commercial rates differential. There is no economic justification for the commercial rates differential, and even though under the last Council it was agreed that the differential would be run down over time the new Council is undermining this through targeted rates such as the accommodation provider targeted rate (the 'hotel tax') which has the same effect.

#### *Regional fuel tax*

44. The Council are proposing a regional fuel tax to fund transport infrastructure, which would replace the Interim Transport Levy (ITL). The Ratepayers' Alliance opposes this.
45. The regional fuel tax is projected to generate \$1.5 billion in revenue over ten years, or an average of \$150 million per year. This is equivalent to a 9.1% rates increase from the 2016/17 financial year.
46. The Council's first priority should be to find waste-cutting opportunities in existing expenditure, and then use those savings to fund transport infrastructure investment. The most prudent way to find those savings would be to hold total Council income increases to a set level, and then to prioritise spending from there.
47. The Mayor promised efficiency improvements of 3-6% of total expenditure. If the Council managed to find those savings, the fuel tax wouldn't be required.
48. Additionally, the Council has assumed no dynamic effects in their projected ten-year revenue.
49. First, we should expect to see a reduction in fuel demand as a direct result of the tax. The fuel tax will increase consumer prices, reducing household demand for fuel, reducing Council revenue.
50. Secondly, due to improving fuel efficiency and 'broadband connectivity', Z Energy projected in 2014<sup>2</sup> that fuel demand would fall over the decade to 2024. Coupled with increasing uptake of electric vehicles, the Council should expect revenue from the regional fuel tax to fall over time, rather than remain constant.
51. Additional research in this area is required by the Council to ensure they can offer ratepayers stability and certainty over the coming years. A failure to meet the expected revenue streams from the

---

<sup>2</sup> Z Energy Investor Day Presentation, 3 April 2014, <https://investor-centre.z.co.nz/investor-centre/home/announcements-and-reports/>

regional fuel tax, while still fully-funding all planned infrastructure would require the Council to seek alternative revenue streams. Naturally that would require additional taxes or rates on local residents.

52. Council should be transparent about the charges they are imposing on ratepayers.
53. While Councillors and the Mayor regularly campaign on keeping rates increases to a set level, they typically exclude interim levies, specific regional taxes, and targeted rates from their calculations. Each of those still impose a financial burden on ratepayers, while allowing the Council an opportunity to continue spending.
54. When Council self-imposes rates increase restraints, they should include other levies and taxes which impose financial burdens on ratepayers. Not doing so is unfair appraisal of the financial treatment of ratepayers.
55. Rates increases for the 2017/18 year were presented as 2.5% by Councillors in the media. However, that number excludes targeted rates for water quality, and the environmental levy, which together comprise a 3.7% increase in rates, bringing the effective increase in financial burden on ratepayers to 6.2%.
56. While the proposed repeal of the ITL should have brought the effective increase down, it will be replaced by the regional fuel tax. While obviously not all Aucklanders are motorists, the majority of households include a motorist, and the average cost to motorists from the regional fuel tax exceeds the cost of the ITL. For many families, where both parents drive to work and take children to school, the cost of the regional fuel tax will far exceed the ITL.
57. Put simply, in the presence of additional taxes and levies on top of general rates, Councillors should make clear to households that the increase in their financial burden will be substantially higher than the headline figure.
58. The regional fuel tax will impose a higher financial burden on larger families and those who need to commute to work. The ITL is currently \$114 per household, while the AA estimate the average commuter will pay \$135 a year under a regional fuel tax.
59. The impact of this transfer will be that those who live in the inner city or use public transport will be made better off, while also having their required infrastructure subsidized in the form of light rail and other public transport initiatives.
60. Families who live in the outer suburbs and either heavily use their vehicle or never enter the inner city won't be made better off by reduced congestion sufficient to outweigh the cost of the tax.

## **B. Submission to Auckland Council on draft WMMP**

61. The WMMP proposes significant changes to how waste is managed by the Auckland Council. The plan, as currently drafted, would mean that many ratepayers will pay a higher cost for a reduction in services.
62. In October 2017, the Auckland Council undertook a Value for Money (s17A) Review of its Domestic Waste. This review checks whether the approach to Auckland Council delivering domestic waste management services is cost-effective, and contributes toward the council's long term goal of Zero Waste by 2040.
63. The key recommendations of the Review to the Auckland Council included:
- a. ***Review the strategic case for the council owning and operating waste facilities/services, and prepare a business case which evaluates alternative options for achieving their domestic waste service and policy objectives, including selling non-strategic assets or using long-term lease arrangements, and report back on progress by March 2018.***
  - b. ***Immediately introduce a funding principle that no new waste management or minimisation service or trial is approved without it having:***
    - (i) *First sought significant co-funding support from the contestable Government's Waste Minimisation Fund*
    - (ii) *A business case that shows benefits exceed costs by a predetermined margin.*
  - c. ***Consider the value of continuing the current community grants for waste initiatives, based on the evaluation of the impacts of grants, given the size of grants and compared to the administration costs.***
  - d. ***Require independent review of material businesses cases, to be undertaken by experts with economic or commercial expertise, as part of building internal economic and business capability.***
  - e. ***Do further economic research to ascertain if the introduction of a landfill levy would result in benefits that justify the increase in household and business costs of disposing in landfill, and once this research has been done, confirm the council's position on advocating or not for a higher levy.***
64. Despite the s17A Review being commissioned and paid for by Auckland Council only months before the release of the WMMP, it brazenly ignores the key findings. The WMMP:
- a. Lacks any review of the case (or options relating to) the Council's ownership of waste facilities/services.
  - b. Shows no evidence that the proposed new services and trails (food waste pick up, pay as you throw, waste recovery network expansions) have been subject to any business cases or evaluation of benefits – let alone the independent reviews of the same that the 17A review called for.
  - c. Pushes for increasing community grants without even mentioning the 17A recommended that the level existing grants be reviewed
  - d. No evidence of re-analysis of the Council's position on increasing the waste levy.
65. In short, so poorly prepared is this WMMP, we suggest it is a direct snub to the Mayor to the Mayor and Councilors by officials who instituted the s17A review, or represents total incompetence by those who produced the WMMP.

## Control of the market

66. Prior to the establishment of the Super City, the legacy Councils operated a range of refuse contracts and services. In the former Auckland and Manukau Council areas refuse collection was completely rates funded. In North Shore, Waitakere, Franklin and Papakura, the council provided user pays services and competed directly with private operators in a market environment. Council market position in these markets had been declining due to the provision of preferred private sector services and competitive pricing. In the former Rodney Council, no Council run services were provided at all and households contracted directly with their preferred private supplier.
67. Immediately following formation of the Super City in 2010 the Council said in its Waste Assessment that it apparently needed to take back the collection of refuse to secure their objectives under the Waste Minimisation Act 2008.<sup>3</sup> The s17a flies in the face of the Waste Assessment.
68. It appears that the Council is set to embark on an enormous expansion of its domestic kerbside waste services, including a large associated cost to householders for little, or no, benefit to ratepayers. For the reasons later in this submission, it appears that even the claimed environmental benefits are based on faith, rather than disciplined analysis, and there is no evidence that ratepayers want the 'standardisation' of services and weekly food scrap collection.

## Perceived Economic Benefits

69. We are concerned with the bold assertions made by Mayor Goff and Councillor Hulse in their respective forewords to the WMMP. Both appear to assert that the WMMP will result in jobs and increased economic activity, with Councillor Hulse stating:

*"This plan outlines how the council and Aucklanders can work together to reduce waste, and generate a host of other benefits along the way. **Community Recycling Centres will create jobs; tackling food waste will help households save money.**"*

70. It is dishonest politicking to claim that a measure 'creates jobs' when the jobs are merely a result of a Council charging the community more – sucking resources from private households and industry to favour the political preferences of the WMMP.
71. Whilst well-meaning, Community Recycling Centres are heavily ratepayer funded. For some areas in Auckland, like Rodney, the service is currently provided for free to ratepayers as it is operated by a private provider and already employs 6 FTEs. If this centre was changed to a Community Recycling Centre, it would cost ratepayers to provide this employment.
72. The s17A Review recommended that the Council should take a more commercial approach to what assets and services it should own/provide, and which are best left to the commercial market. The Review also called for a full review of the Resource Recovery Networks. Both of these recommendations have been ignored in the WMMP.
73. Instead of the WMMP reflecting the needs, wants and preferences of the community, it appears to prescribe an ideological vision of increasing the Council's influence and control over the waste stream. While economic efficiency is given lip service, it appears the only real consideration is framed as 'How much spending can we get away with to get what the Council (most likely the relevant officials) want?'

---

<sup>3</sup> Auckland Council Waste Assessment (October 2011), p 2.

## *Lack of Option Analysis*

74. The WMMP provides three Options for the future. These options are limited to continuing the implementation of the WMMP 2012; a second option that is increasing focus on priority waste streams (which officials prefer) and an expensive third option which focuses on investing in residual waste treatment facilities.

75. It is important to note that it is for the first time that option three appears in the report is in these Options for the Future;

*"This option requires significant investment from both the private and public sectors in residual waste infrastructure. There would be risks regarding public acceptability, environmental performance (compared to landfills), need for certainty of supply of residual waste, and developing markets for the resulting energy and materials."*

None of these risks have been assessed.

76. There is no option to do less, or to keep waste services as they are now – or to let ratepayers decide or have more choice about their waste service provision.

## *Failure to identify opportunities for better service provision*

77. Among what the WMMP labels "*significant barriers*" are:

- a. The low cost of landfilling compared to diversion costs;
- b. Direct influence over only 20% of waste generated in Auckland, and very limited influence of the 80% waste that is commercially managed; and
- c. Rapid population growth, meaning more construction and demolition, and more consumer waste.

78. These ‘barriers’ are in fact opportunities that can be of benefit to ratepayers. The ability for Aucklanders to dispose of rubbish cheaply in our members’ opinions, is a benefit, and certainly not some the Council should be striving to destroy.

79. The perceived problem – increase in commercial waste – is acknowledged to be "*largely due to a spike in construction and demolition waste.*"

80. At a time when Auckland needs every development housing and infrastructure dollar it can get, the WMMP appears to set out to make construction even more expensive by increasing the costs and regulatory burden on the sector. That is wrong.

81. If these factors were undermining the effort by the Council to achieve environmental outcomes then one could assess the trade-off between the two. However, under current settings, the Council is still achieving a reduction in household waste by 10% between 2010 and 2016.

82. Additionally, this waste is largely inert and the least damaging to the environment. In addition, Auckland is enjoying growth in this sector. The plan states:

### ***"6.4 Cleanfill and managed fill – Purunga ōpapa, āta purunga***

*Cleanfill is a type of landfill that accepts only materials that, when buried, have no adverse effect on people or the environment, such as soil and rubble. A managed fill is one that accepts soil-type materials with low levels of contamination.*

*We have only limited data about the amount of material being deposited in these sites. Best estimates suggest the amount of fill deposited has increased, from 1.79 million*

tonnes in 2010, to 2.36 tonnes in 2016. This is consistent with the increase in construction and demolition waste.

Much of the cleanfill that is diverted goes to useful purposes, such as remediating land for future development. As the fill is largely inert, people's main concerns relate mostly to truck movements. Due to the contamination aspects associated with managed fill, this material is less likely to be diverted for other uses.

One of our priorities is to review licensing of these fill sites, and to work with industry to promote diversion and appropriate disposal. While cleanfills and managed fills are an important part of the waste system, their tonnages are not included in the figures presented here, which focus on the waste that is sent to landfill.

### **6.5 Waste services and infrastructure in Auckland – Ngā ratonga tuku para me ngā kaupapa whakahaere o Tāmaki Makaurau**

#### **A fragmented service sector**

Waste services are highly fragmented in Auckland, with Auckland Council, large commercial enterprises, and small-scale operators all contributing to management and minimisation efforts.

In general, Aucklanders receive quality services from waste service providers. There are encouraging signs the industry is responding to market signals, and shifting towards a stronger emphasis on resource recovery activities. Since the last WMMP, the commercial sector has invested in new construction and demolition plants, organic material processing facilities and new collection services."

83. It appears that the area of the waste stream where private parties are moving in the right direction – minimising environmental impact and expediting economic growth in the city – is where the WMMP wants to interfere by 'reviewing licensing' and working with (which presumably means either decreasing market discipline by subsidising, or regulating) chosen players. We note that the only concern identified with this waste stream (attributed simply to "people's") relates to "truck movements".

#### *Service standardisation*

84. Auckland Council is proposing to standardise waste services across the region, including changing existing council services, as part of a long-term effort to reduce waste in the region.
85. The Council plans to introduce a food waste collection service. Households will be provided with a 23-litre bin to be placed on the kerbside for weekly collection, and a 7 litre caddy to be placed in the kitchen.
86. Officials are proposing that the only net cost increase to households is between \$27 and \$45 dollars per annum. This is calculated using a fortnightly user pays waste service and effectively reduces the service frequency for waste collection in half. If however, residents wanted the same weekly collection service as they currently receive for refuse, the cost increase to the resident is between \$116 and \$134 per annum.
87. Households will be unable to opt out of this service, while still paying for the service. This unduly punishes those ratepayers who have undertaken to compost their food waste themselves and disincentives people from taking up the practice. In the Council's kerbside collection trials, 75% of households indicated they already composted. Those households should not be forced to pay for a service which they already manage themselves. Forcing every household to pay an annual fee, and managing a region wide weekly collection scheme to manage the food waste of a minority of households would be wasteful.

88. Additionally, while the environmental impact of truck movement has been highlighted in the analysis of construction and demolition waste, there has been no comparative assessment of the environmental impact of the truck movement in providing this service.
89. We oppose the introduction of a food waste collection service.
90. Current waste services are largely grandfathered from systems in place before amalgamation. The result is that different regions have access to different waste services. The proposed WMMP would standardise refuse services across the region. Communities should have choice – both in levels of service and provider.
91. The WMMP states that there is an increasing rate of contamination, with more non-recyclable materials being put in to recycling bins. The decrease of general refuse collection to fortnightly is likely to increase this contamination rate as people need to dispose of waste outside of their fortnightly collection.
92. The following table outlines the proposed changes to achieve the Council’s objective of “standardisation”

| District    | Current Scenario   | WMMP scenario  |
|-------------|--|--|
| Rodney      | Waste: User Pays no council involvement choice of bags or bins weekly or pay as you throw<br>Recycling: 240L Wheelie Bin | Waste collection Fortnightly user pays with 120L Bin council providing Waste collection at an increased cost.<br>23L Kitchen Caddy for food waste Weekly<br>240L Recycling Bin |
| Manukau     | Rates Funded 140L Wheelie bin for waste, 240L Wheelie Bin for Recycling  | Waste collection Fortnightly user pays with 120L Bin council providing Waste collection at an increased cost.<br>23L Kitchen Caddy for food waste Weekly<br>240L Recycling Bin |
| North Shore | Waste: User Pays with council as a market player, 240L Wheelie Bin for Recycling   | Waste collection Fortnightly user pays with 120L Bin council providing Waste collection at an increased cost.<br>23L Kitchen Caddy for food waste Weekly<br>240L Recycling Bin |
| Waitakere   | Waste: User Pays with council as a market player 240L Wheelie Bin for Recycling  | Waste collection Fortnightly user pays with 120L Bin council providing Waste collection at an increased cost.<br>23L Kitchen Caddy for food waste Weekly<br>240L Recycling Bin |

|               |   |  |
|---------------|---|--|
| Auckland City | Rates Funded 140L Wheelie bin for waste, 240L Wheelie Bin for Recycling | Waste collection Fortnightly user pays with 120L Bin council providing Waste collection at an increased cost.<br>23L Kitchen Caddy for food waste Weekly<br>240L Recycling Bin Fortnightly |
|---------------|---|--|

93. The WMMP states that the Council is intending to lobby central government for changes to the Waste Management Levy. Under the Waste Minimisation Act 2008, there is a \$10 levy imposed on every ton of waste sent to landfill. As per the draft WMMP, Auckland Council plans on lobbying central government to increase this levy to between \$125 and \$140 a ton. Half of all income earned from this levy is transferred to territorial authorities – including Auckland Council.
94. Auckland Council should refrain from lobbying to increase the waste levy.
95. First, it would have a significant financial impact on households and businesses. The total expected cost to Aucklanders is \$236 million, which is a cost to the average household of \$427.
96. While the Eumonia report that the Auckland Council proposal is based on argues that the economic benefits of the proposal outstrips the costs, the Eumonia report contains no formal cost-benefit analysis.
97. The draft WMMP also refers to a report, *The Benefits of a Circular Economy in South Australia*, which uses input-output analysis similar to the Eumonia report to examine the economic benefits of adopting waste minimizing public policy. The Council should be careful not to use this report to corroborate the findings of the Eumonia report, given that many of the problems in the Eumonia report are fundamental to the techniques employed.
98. Unlike the Eumonia report, the South Australia report makes no reference to deadweight loss or policy prescriptions. In fact, the report just makes a series of descriptive economic claims about the effects of changes in underlying parameters related to the creation and use of waste. No policy action can be justified from this report given it makes no effort to assess the costs of an intervention.
99. Secondly, imposing additional costs waste disposal may incentivize illegal dumping. Auckland Council acknowledges in their draft WMMP that illegal dumping is a complex problem that imposes environmental costs. Households that find waste disposal increasingly expensive, particularly from low-income communities may just choose to illegally dump their waste.
100. Auckland Council should be up-front with ratepayers that they are lobbying central government to increase their taxes. Specifically, given that the Council receives a portion of the increase in the waste levy, the increase in revenue should be included when the Council outlines proposed rates increases.
101. Council's own report cautions that the bulk of this projected \$300 million tax hike in increased cost, will fall on Aucklanders with a projected \$236 million.<sup>4</sup>

---

<sup>4</sup> Auckland Council Domestic Waste Services value for money 17A review (value for money review 2017) p 51.

102. While an increase to the waste levy isn't technically an increase in rates, it represents political action from Auckland Council resulting in an increase in the financial burden imposed on ratepayers, coupled with an increase in revenue to Auckland Council.
103. This initiative should have a full economic analysis prior to commencing. Council have ignored the advice of the s17a Review and have justified the ongoing lobbying by a report commissioned by Eunomia that provided no economic analysis. This is a fundamentally flawed conclusion. To force Aucklanders to a cost increase with no robust economic analysis done is farcical.

Thank you for providing us with the opportunity to submit on these items.

Yours faithfully,  
**Auckland Ratepayers' Alliance**



**Jordan Williams**  
Executive Director  
[Jordan.Williams@ratepayers.org.nz](mailto:Jordan.Williams@ratepayers.org.nz)  
Mobile: 021 762 542



**Jo Holmes**  
Spokesperson  
[Jo.Holmes@ratepayers.org.nz](mailto:Jo.Holmes@ratepayers.org.nz)  
Mobile: 021 286 5544

## APPENDIX 1: 10-year Budget

The following is the Auckland Ratepayers' Alliance response to the questions outlined in the Feedback Form:

### **Question 1:**

**We want to improve our transport system. As the population grows, congestion (and the pollution it creates) is getting worse, safety is declining and businesses are struggling to move freight and people. We are proposing that a regional fuel tax of 10 cents per litre (plus GST) be used to raise more funding for transport projects and services.**

**What is your opinion on the proposal to introduce a regional fuel tax to help pay for improvements to the transport system?**

Do not support

A regional fuel tax is another cost for ratepayers. Instead of increasing the burden on ratepayers, the Council should cut wasteful spending and use those savings to fund infrastructure costs.

### **Question 2:**

**Our harbours, beaches and streams are being polluted by overflows from ageing sewerage and stormwater systems that can't cope with heavy rainfall and from contaminants washed into natural waterways. We want to improve our infrastructure to address this problem. Under current budgets this would take 30 years to achieve. We propose to introduce a new targeted rate to increase our funding of water infrastructure and speed up delivery of cleaner harbours, beaches and streams to 10 years. Our proposed targeted rate would cost the average residential ratepayer \$66 per year (\$1.30 per week), although this will vary based on your property value.**

**What is your opinion on this proposed targeted rate to speed up the delivery of cleaner harbours, beaches and streams?**

Do not support.

A targeted water rate is another cost for ratepayers. Instead of increasing the burden on ratepayers, the Council should cut wasteful spending and use those savings to fund upgrades to the sewerage and stormwater systems.

### **Question 3:**

**Auckland's rapid growth is putting pressure on the environment, as is the spread of pests, weeds and diseases that are threatening many of our native species. Approximately two-thirds of Auckland's local native species are under threat of extinction.**

**Our proposal is to invest more in environment initiatives and to fund this through a targeted rate (based on your property value) at one of the two levels described below.**

**What is your opinion on a proposed targeted rate to invest more to protect our environment?**

Do not support a targeted rate to invest more to protect our environment

A targeted environmental levy rate is another cost for ratepayers. Instead of increasing the burden on ratepayers, the Council should cut wasteful spending and use those savings to address this issue.

**Question 4:**

**For this 10-year Budget we are proposing an average rates increase of 2.5 per cent for the first two years and then 3.5 per cent for years three to 10. This will be used to fund our growing city. Without this level of rate increase, we would have to reduce existing service levels and defer or cut some currently planned projects.**

**What is your opinion on this proposed rates increase?**

Do not support.

At the last election, the majority of Councilors promised to keep rates increases to 2%. The 10-year Budget fails to keep this promise. Instead of continuing to increase rates, Council should cut wasteful spending.